



IMA/Chamber Tax and Fiscal Policy Committee Meeting

Developments at the
Department of Local Government Finance

Timothy J. Rushenberg
Commissioner

July 16, 2009



Outline

- DLGF Overview
- Establishing New Standards
- Agency Goals
- Update on Assessments, Budgets, Etc.
- Budget-related Deadlines
- Comparing Property Tax Bills
- 2010 Census



DLGF Overview

■ Duties:

- Ensure property tax assessment and local government budgeting follow Indiana law
- Publish property tax assessment rules
- Annually review and approve tax rates and levies of every political subdivision including all counties, cities, towns, townships, school corporations, libraries and other entities with tax levy authority



DLGF Overview

- Structure:
 - Commissioner
 - Oversees the operations of the Department and serves as a member of the Distressed Unit Appeals Board
 - Assessment Division
 - Promotes consistent assessing procedures across the State by providing guidance and technical instruction and securing compliance with the law to ensure fair and equitable assessment of property for taxpayers
 - Budget Division
 - Works closely with local officials in preparing their annual budgets and provides recommendations to the Commissioner on matters related to budgets, rates, levies, exceptions to property tax controls and taxpayer exceptions to tax rate increases



DLGF Overview

- Structure
 - Communications Division
 - Supports communications and public relations activities that serve to promote understanding of property tax assessment and local government budgeting by local officials and taxpayers
 - Legal Division
 - Drafts and publishes property tax assessment rules and interprets statutory law to ensure property tax assessments and local government budgeting are carried out in accordance with Indiana law and DLGF rules and regulations
 - Operations Division
 - Researches and analyzes all areas of property taxation to ensure the fair and equitable distribution of the property tax burden



Establishing New Standards

■ Core Values

- Put taxpayers first.
- Respect local control.
- Excellence in all that we do.



Establishing New Standards

■ Core Competencies

1. Know Your Job
2. Work as a Team
3. Serve the Taxpayers
4. Enforce Assessment Standards
5. Make Sure Data Submission Deadlines are Met
6. Ensure Budget Processes are Followed and Levy and Rate Controls Enforced
7. Provide Guidance and Interpret Laws but Respect Local Control



Agency Goals

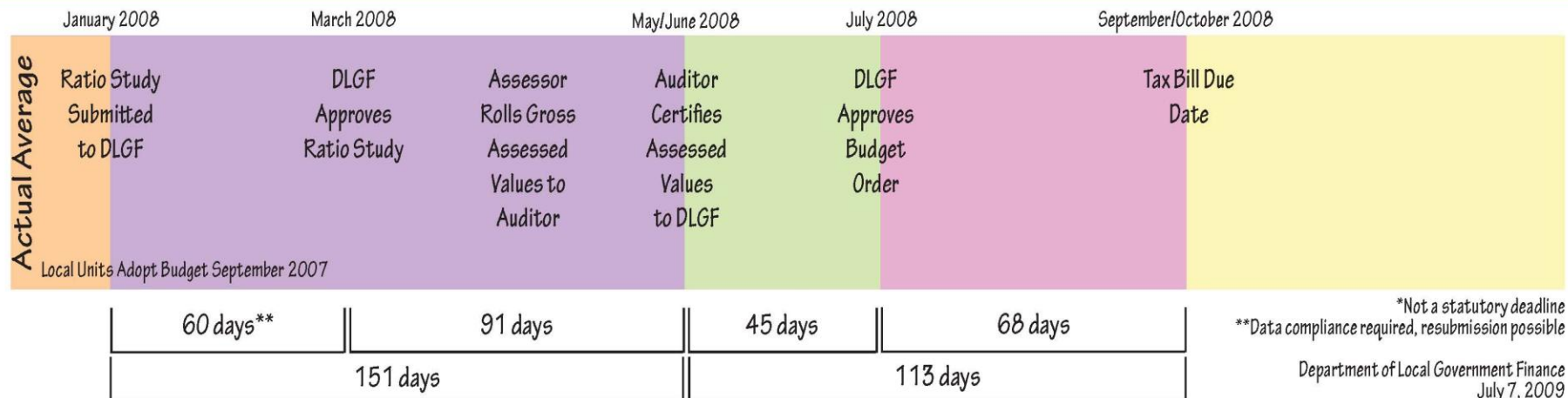
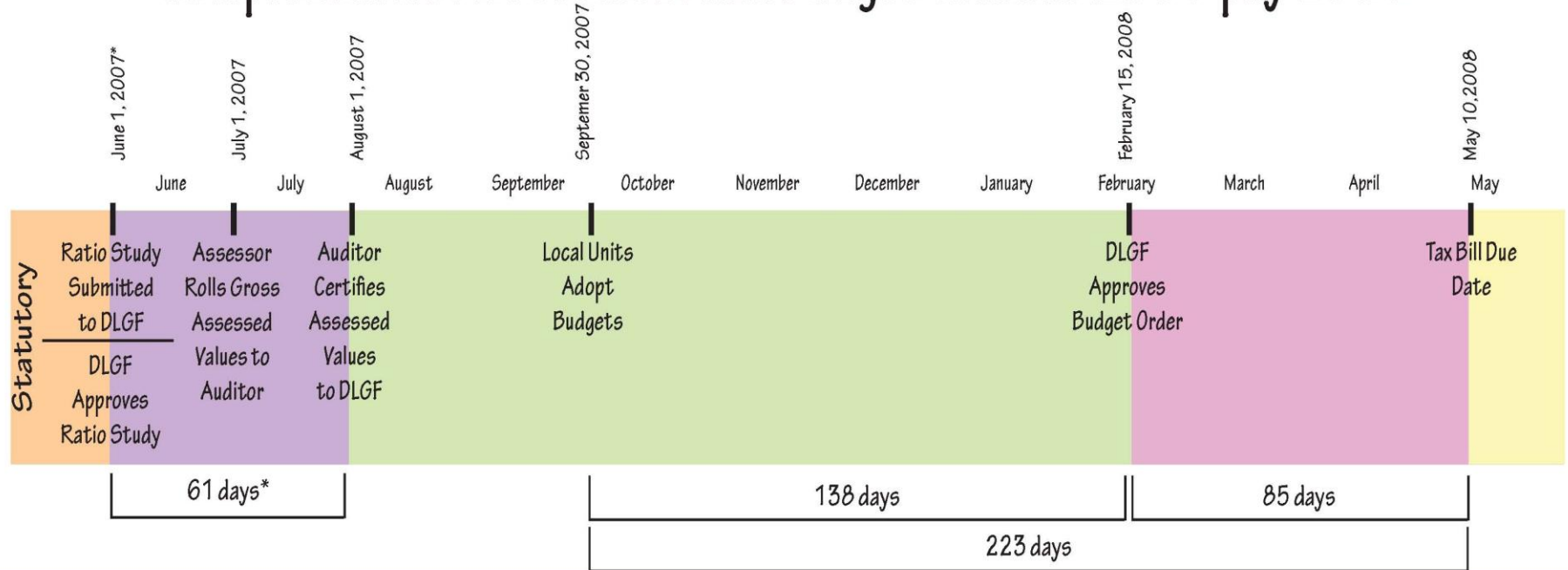
- Increase Professional Development of Staff
 - Require all staff to become Level I, Level II, and Level III certified
 - Cross-train field representatives with both budget and assessment knowledge
 - Increase amount and level of data analysis conducted by the Department



Agency Goals

- **Restore On-Time Property Tax Billing**
 - Proactively assist counties in achieving data compliance
 - Department Policy provides for a 2-3 day response and turnaround for Data compliant counties
 - Reduce turnaround time for review and approval of ratio studies (includes counties w/data compliance issues)
 - 2007 pay 2008 – 60 days
 - 2008 pay 2009 – 57 days
 - 2009 pay 2010 – 22 days
 - Reduce turnaround time for budget certification once certified assessed values are received
 - 2007 pay 2008 – 45 days
 - 2008 pay 2009 – 39 days

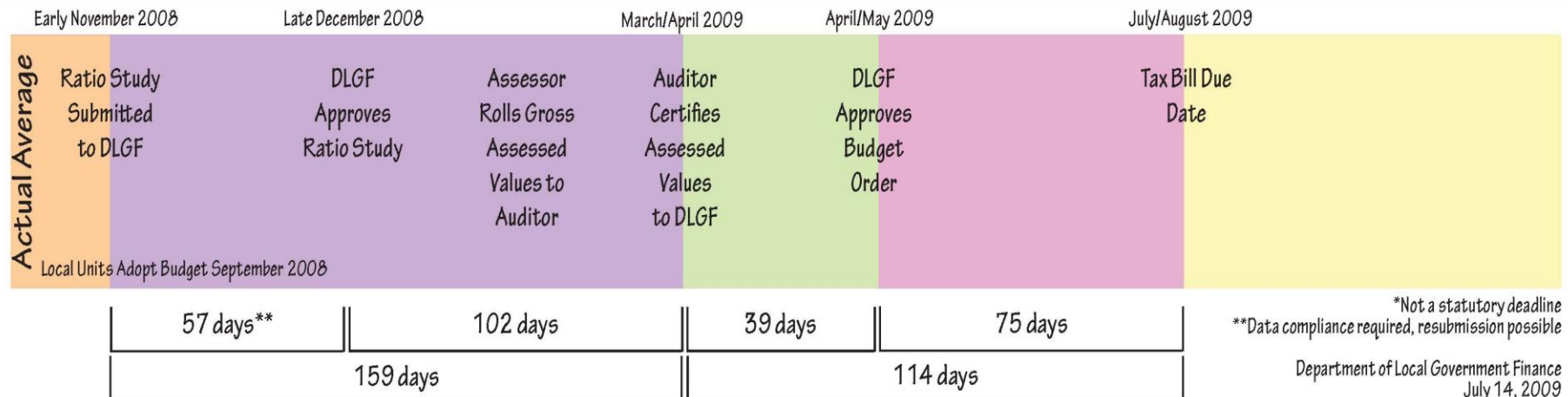
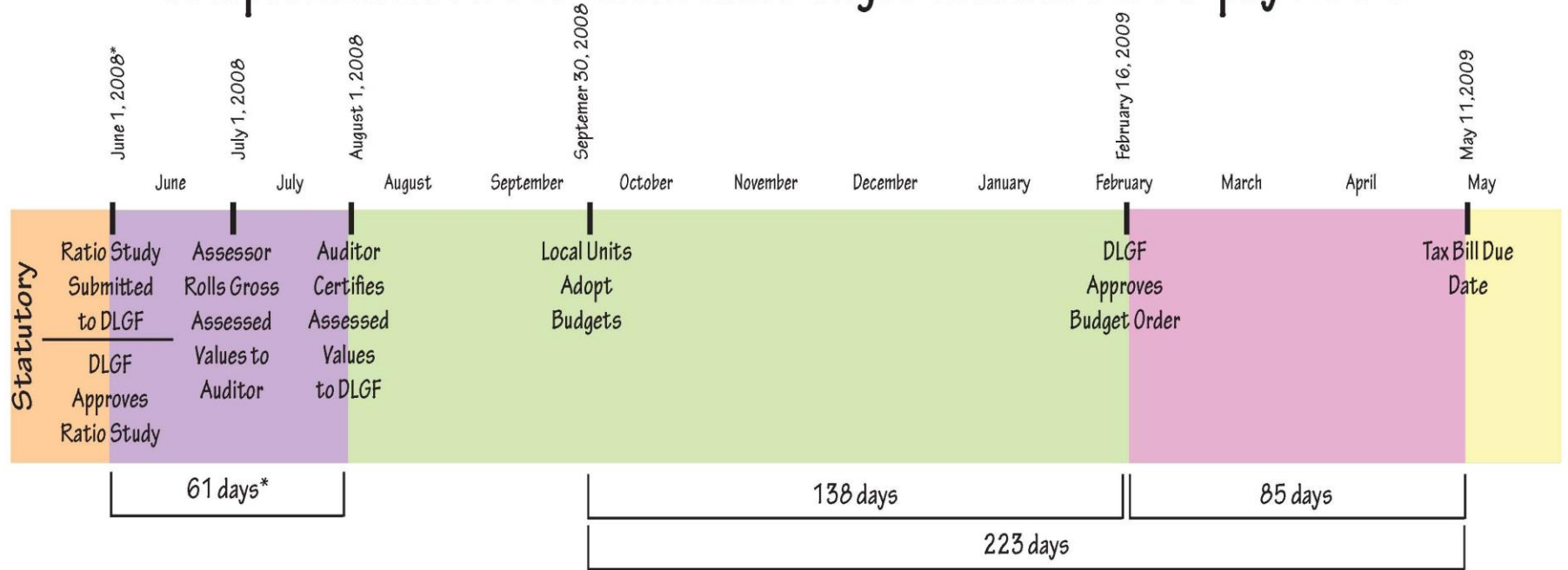
Comprehensive Assessment and Budget Timeline 2007 pay 2008



*Not a statutory deadline
 **Data compliance required, resubmission possible

Department of Local Government Finance
 July 7, 2009

Comprehensive Assessment and Budget Timeline 2008 pay 2009





2008 Budget Certification status as of July 14, 2008

Status Maps:

<http://www.in.gov/dlgf/6827.htm>

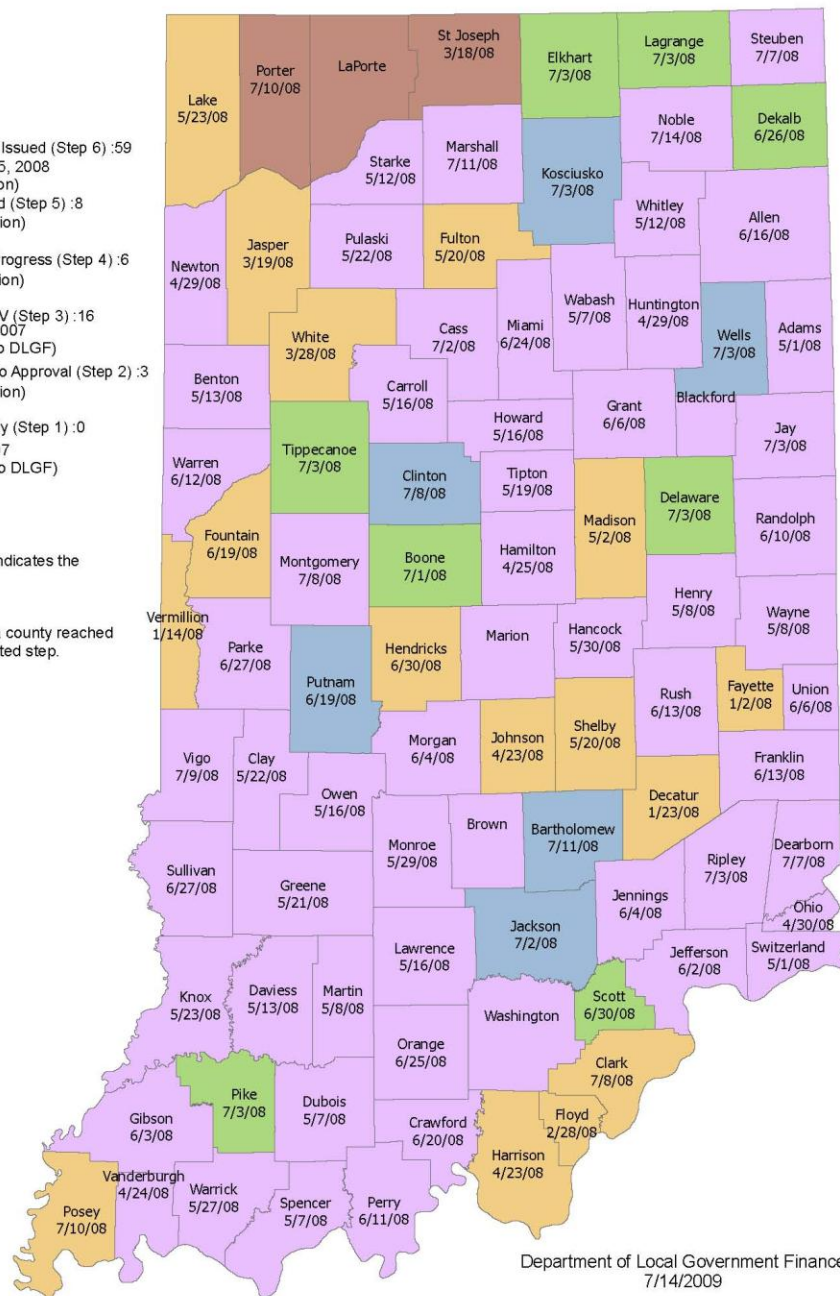
2007 pay 2008 Budget Certification Status Map As of July 14, 2008

Indiana Counties

- Final Budget Order Issued (Step 6) :59
Due February 15, 2008
(DLGF Action)
- 1782 Notices Issued (Step 5) :8
(DLGF Action)
- Budget Review in Progress (Step 4) :6
(DLGF Action)
- Awaiting Certified AV (Step 3) :16
Due August 1, 2007
(Co. Auditor sends to DLGF)
- Awaiting Sales Ratio Approval (Step 2) :3
(DLGF Action)
- Awaiting Ratio Study (Step 1) :0
Due Spring 2007
(Co. Assessor sends to DLGF)

NOTE: The current color indicates the previous step has been completed or approved.

A date indicates the date a county reached their most recently completed step.



Department of Local Government Finance
7/14/2009



Status Maps:

Indiana Counties

- 1 indicates 2006 Sales data compliance.
2 indicates 2007 Sales data compliance.
3 indicates 2007 pay 2008 parcel data
compliance.
4 indicates 2008 abstract has been
completed.





2010: “The Year of No Excuses”

In response to this challenge, the DLGF Team has accomplished the following:

- Streamlined the data compliance process for assessment-sales ratio study approval purposes;
- Simplified the annual adjustment rule to allow for the use of only one year of sales and repealed the previous guidance that assessments be changed even if assessment level and uniformity statistical measures were within international standards; and
- Established a goal to issue 2010 budget orders within 60 days from receipt of certified net assessed values from the county auditor.



2009 pay 2010 Budget Certification Status Map

2010 Budget Certification status as of July 14, 2009

Status Maps:

<http://www.in.gov/dlgf/6827.htm>

Indiana Counties

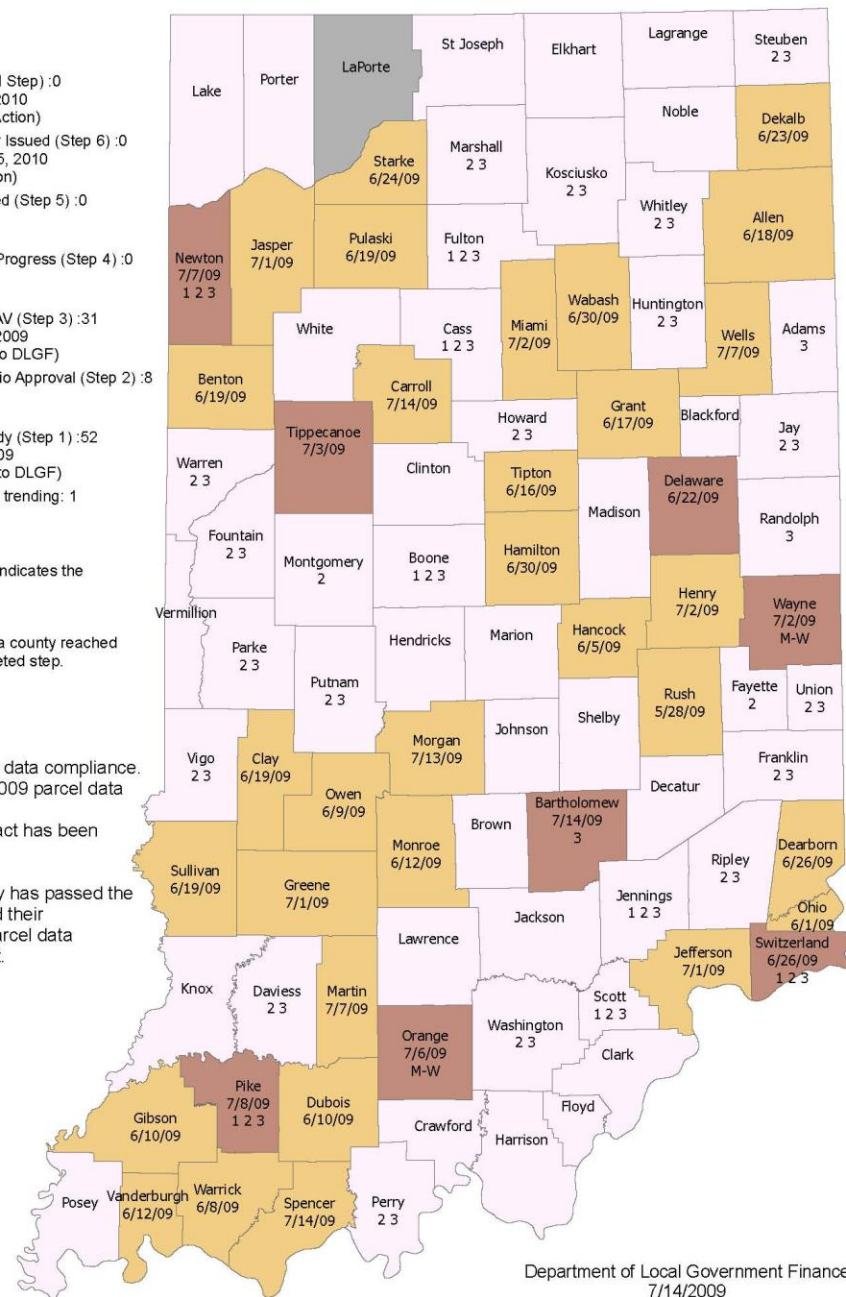
- Tax Bills Due (Final Step) :0
Due May 10, 2010
(Co. Treasurer Action)
- Final Budget Order Issued (Step 6) :0
Due February 15, 2010
(DLGF Action)
- 1782 Notices Issued (Step 5) :0
(DLGF Action)
- Budget Review in Progress (Step 4) :0
(DLGF Action)
- Awaiting Certified AV (Step 3) :31
Due August 3, 2009
(Co. Auditor sends to DLGF)
- Awaiting Sales Ratio Approval (Step 2) :3
(DLGF Action)
- Awaiting Ratio Study (Step 1) :52
Due Spring 2009
(Co. Assessor sends to DLGF)
- State is performing trending: 1

NOTE: The current color indicates the previous step has been completed or approved.

A date indicates the date a county reached their most recently completed step.

1 indicates 2008 Sales data compliance.
2 indicates 2008 pay 2009 parcel data compliance.
3 indicates 2009 abstract has been completed.

M-W indicates a county has passed the Mann-Whitney test and their submitted sales and parcel data sets are fully compliant.



Department of Local Government Finance
7/14/2009



Budget-related Deadlines

- July 31 – Last day to adopt ordinance establishing, increasing or decreasing COIT, CAGIT, or CEDIT rates. IC 6-3.5.
- Aug. 1 – Deadline for auditors to file certificate of net AVs and estimates of miscellaneous revenues with units and DLGF. IC 6-1.1-17-1
- Aug. 1 – Deadline for units to submit to DLGF cumulative fund proposals. IC 6-1.1-17-16.7
- **Sept. 2 – Last day for first publication of Budget Form 3 (Notice to Taxpayers of Budget Estimates and Tax Levies) which includes the 2010 annual total appropriations, proposed tax levy, excessive levy appeals, and current tax levy (at least ten (10) days before the public hearing) I.C. 6-1.1-17-3**



Budget-related Deadlines

- **Sept. 9 – Last day for second publication of Budget Form 3 (Notice to Taxpayers of Budget Estimates and Tax Levies) (at least three (3) days prior to the public hearing) IC 6-1.1-17-3**
- Sept. 17 – Last day for units to submit proposed budget, rates and levies to county councils for non-binding review and recommendation.
IC 6-1.1-17-3.5
- Oct. 2– Last day for units with appointed boards with proposed budget increases over 3.8% AVGQ to submit budgets to fiscal body for adoption
IC 6-1.1-17-20
- Oct. 2 – Last day for fire protection districts, conservancy districts and solid waste management districts with appointed boards to submit proposed budgets, rates and levies to city/town or county fiscal body for final adoption. IC 6-1.1-17-20



Budget-related Deadlines

- Oct. 19 – Last day for units to file excessive levy appeals for annexation/consolidation/extension of services, 3 year growth factor, emergency and correction of error with DLGF. IC 6-1.1-18.5
- Oct. 22 – Last day for ensuing year's budget public hearing. IC 6-1.1-17-5.
- Oct. 29 – Last day for taxpayers to file objecting petitions to budget, rates, or levies with local units. IC 6-1.1-17-5(b)
- Nov. 1– Deadline for units to adopt 2010 budgets, rates and levies. IC 6-1.1-17-5
- Nov. 3 – Last date for all units to file adopted budget with the county auditor for TAB chart. IC 6-1.1-17-5



Budget-related Deadlines

- Dec. 15 – Last day for DLGF to accept additional appropriation requests from units. IC 6-1.1-18-5.
- Dec. 30 – Deadline for units to file shortfall excess levy appeals. IC 6-1.1-18.5-16
- Jan. 31 – Deadline for township trustees to file annual year end statistical report with State Board of Accounts. I.C. 12-20-28-3(f)
- A full list of budget-related deadlines is available on DLGF Web site at [http://www.in.gov/dlgf/files/090702- Rushenberg Memo - Revised 2009-2010 Budget Calendar.pdf](http://www.in.gov/dlgf/files/090702-Rushenberg_Memo_-_Revised_2009-2010_Budget_Calendar.pdf).



Comparing Property Tax Bills

- State Property Tax Replacement Credit and State Homestead Credit (\$250 million in 2008) eliminated beginning in 2009.
- Additional State Homestead Credit provided by HEA 1001-2008 reduced from \$620 million in 2008 (total of \$870 million in 2008) to \$140 million in 2009 and \$80 million in 2010.
- Beginning in 2009, State assumed \$3 billion in local spending.
- Circuit Breaker Caps took effect at 1.5%, 2.5% and 3.5% of property's gross assessed value in 2009.
- Many property owners will see additional cuts next year as the caps drop to 1%, 2% and 3%.



2010 Census

UNITED STATES CENSUS

2010 *Indiana*



For more information, visit the Indiana 2010 Census Web page: www.census.indiana.edu.



2010 Census

- The U.S. Constitution requires that a Census be conducted every 10 years to count each person living in the country.
 - The Census is used to apportion congressional seats.
 - Results inform policymakers who construct government programs.
 - Census numbers are the basis of funding for many federal programs, up to \$1,200 per person.
 - Medicaid, WIC food grants, social services
 - Title I educational grants
 - Transportation
 - State funds are often distributed using Census counts.
- Our objective is to ensure that every Hoosier is counted.



Conclusion

- Department's core values and competencies guide agency toward achieving on-time billing.
- Significant progress has been made for 2009 and we are off to a good start for 2010.
- 2010 Census: Be Counted



Contact The Department

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